

## **GUIDELINES FOR COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES IN CHAPTER 13 CASES**

The United States Trustee has reviewed the following guidelines and finds that the guidelines are reasonable and may be implemented by the Standing Chapter 13 Trustee for the Eastern and Western Districts of Arkansas for the purpose of reviewing and recommending to the Bankruptcy Court the award of compensation and reimbursement of expenses of attorneys representing debtors in chapter 13 cases:

1. An attorney seeking interim or final compensation for services or reimbursement of necessary expenses from an estate in a chapter 13 case shall file an application as set forth in Federal Rule of Bankruptcy Procedure 2016.
2. As an alternative to the application procedures outlined in Federal Rule of Bankruptcy Procedure 2016, an attorney may file a “short form” application for a summary compensation award of fees and costs in a chapter 13 case for the services through confirmation of the plan.
3. The chapter 13 trustee shall calculate, and recommend to the court for approval, a summary compensation award based on the scheduled debts in each case pursuant to the following guidelines:
  - a. The summary compensation award shall be calculated as follows:
    - i. Eight percent (8%) of the scheduled secured debts that are to be paid through the chapter 13 trustee’s office under the plan, excluding debts for property surrendered or abandoned or paid directly/outside the plan; plus
    - ii. Six percent (6%) of the scheduled unsecured priority and non-priority debts; plus
    - iii. An amount for costs not to exceed \$50.
  - b. The summary compensation award shall be deemed fully earned at the date of the confirmation of the chapter 13 plan.
  - c. The minimum summary compensation award shall be \$1,500 for a non-business case.
  - d. The maximum summary compensation award shall be \$2,500 for a non-business case.
  - e. The maximum summary compensation award shall be \$3,500 for a business case.

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- f. Upon confirmation, the chapter 13 trustee shall pay the summary compensation award from funds paid by the debtor(s) as follows:
  - i. An initial portion of the summary compensation award in the amount not to exceed \$800, after first paying administrative costs, including applicable trustee's fees and administrative fees; and
  - ii. Thereafter, the remaining summary compensation award shall be paid at the rate of ten percent (10%) from the total amount disbursed to creditors each month.
  - iii. Or, as otherwise provided for by the plan and order of confirmation.
- 4. The summary compensation awarded pursuant to these guidelines are based upon debtor's counsel providing adequate legal services to the debtor. These legal services shall include, but are not limited to:
  - a. Preparation and filing of complete and accurate petition, schedules and statement of affairs based upon information obtained from the debtor following reasonable inquiry.
  - b. The filing of a confirmable plan.
  - c. Consulting with the debtor in person prior to the filing of the bankruptcy petition, and as needed during the pendency of the case to provide legal counsel related to the bankruptcy proceeding.
  - d. Appearing and representing the debtor at all scheduled § 341(a) meeting of creditors.
  - e. Advising the debtor as to the requirements for obtaining a discharge, including the need to complete a course in personal financial management provided by an approved agency.
  - f. Filing with the bankruptcy court, on behalf of the debtor, a statement regarding the completion of a course in personal financial management required by Interim Bankruptcy Rule 1007(b)(7). Conditioned upon the debtor providing the attorney with timely evidence of compliance in the form of a certificate of completion from an approved agency.
  - g. Compliance with all requirements of the bankruptcy code, federal rules of bankruptcy procedure and local rules and procedures.

Failure to provide adequate legal services to the debtor may result in rejection of the summary fee application, a reduction of the compensation awarded or a request for an order to disgorge fees paid pursuant to a summary award.

5. As an alternative to the application process outlined in Federal Rule of Bankruptcy Procedure 2016, an attorney also may file a “short form” application for a summary compensation award of fees and costs for services rendered post-confirmation in a chapter 13 case pursuant to the following guidelines:
  - a. The chapter 13 trustee shall calculate, and recommend to the court for approval, the summary compensation award for post-confirmation services.
  - b. For the following services, the summary compensation award shall not exceed the designated amount:
    - i. Modification of Plan – Simple (upon confirmation of modified plan) – \$150, plus costs;
    - ii. Modification of Plan – Complex ( upon confirmation of modified plan) – \$200, plus costs;
    - iii. Lien Avoidance Action under 11 U.S.C. § 522(f) – \$150;
    - iv. Uncontested Lien Avoidance Action for Judicial Lien – \$100;
    - v. Letter to Creditor to Cease Collection Efforts, Contacts, Post-Petition Garnishment – \$50;
    - vi. Notice of Bankruptcy Filed in Another Court – \$50;
    - vii. IRS or DFA Motion for Relief from Stay to Setoff Refund – \$75.00;
    - viii. IRS or DFA Motion to Compel to File Tax Returns – \$75;
    - ix. DFA Motion for Strict Compliance for Debtor Engaged in Business – \$100;
    - x. Assistance with Application for New Debt – \$100;
    - xi. Motion for Hardship Discharge (if funds available) – \$250, plus costs;

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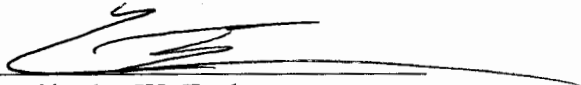
- xii. Motion for Relief from Stay – \$150; and
- xiii. Defense of Motion to Dismiss - \$50.
- c. An amount for actual and necessary costs in each for each service listed in subparagraph (b) will be allowed not to exceed \$50.
- d. The summary compensation award for post-confirmation services shall be paid upon court approval from funds paid by the debtor(s) through the chapter 13 trustee's monthly disbursement procedures.

THESE GUIDELINES ARE EFFECTIVE FOR CASES FILED ON OR AFTER  
FEBRUARY 1, 2006

APPROVED:

Charles R. Rendlen, III  
United States Trustee

By: \_\_\_\_\_

  
Charles W. Tucker  
Assistant U.S. Trustee